GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2326
ANSWERED ON:01.08.2016
Performance of Steel PSU
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Will the Minister of STEEL be pleased to state:

(a) whether the Government has reviewed the performance of the public sector steel companies including Steel Authority of India Limited (SAIL) in the country;
(b) if so, the details and the outcome thereof including profit earned/loss incurred by the said companies during each of the last three years, PSU-wise;
(c) whether the recession in steel industry has affected the performance of the steel companies in the country;
(d) if so, the details thereof; and
(e) the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI VISHNU DEO SAI)

(a)&(b): There are two Public Sector Steel manufacturing companies in India namely Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL). Ministry of Steel regularly reviews the performance of its Public Sector Steel companies. In these meetings the issues of Central Public Sector Enterprises (CPSE) pending to be taken up with the other Ministries / Departments as also with other State Governments are identified / flagged and pursued. The details of the profit earned / loss incurred during each of the last three years is as under:-

(Rs. in Crore)

Name of the PSU	2013-14	2014-15	2015-16
SAIL	2616	2093	(-) 4137
RINL	367	62	(-) 1421

(c)&(d): The Indian steel industry is currently passing through a severe downturn. Globally, demand slowdown and overcapacity have resulted in major steel producing countries adopting predatory pricing strategy and selling their products in India at prices often lower than their cost of production. Consequently, domestic producers have considerably reduced prices eroding their profit margin.

(e) In order to alleviate the problems faced by domestic steel industry the Government of India has taken various measures. These include:-

(i) Imposed Minimum Import Price (MIP) on 173 steel tariff lines in order to provide a level playing field to domestic producers against the injury caused as evident from the decline in margins of the producers.
(ii) Increased the peak rate of basic customs duty on both flat and non-flat steel to 15% from 10% in the Union Budget 2015-16.
(iii) Increased the import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products to 7.5% (from 5%) and non-alloy and other alloy flat products to 10% (from 7.5%). This has been further revised in August, 2015. Currently, import duty on flat steel is applicable at 12.5%, on long steel products at 10% and on semi-finished steel products at 10%.
(iv) Amended the Steel & Steel Products (Quality Control) Order, 2012, in December, 2015 to ensure that only quality steel is produced/imported in India.
(v) Levied the Anti-Dumping Duty for five years on imports of certain variety of hot-rolled flat products of stainless steel from China ($ 309 per tonne), Korea ($ 180 per tonne) and Malaysia ($ 316 per tonne).
(vi) Imposed the Safeguard Duty of 20% in March, 2016 on hot-rolled flat products of non-alloy and other alloy steel, in coils of width of 600 mm or more.

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